

Message Text

CONFIDENTIAL

PAGE 01 PORT A 01838 202004Z
ACTION ARA-10

INFO OCT-01 ISO-00 AID-05 EB-07 CIAE-00 INR-07 NSAE-00
L-03 IGA-02 TRSE-00 /035 W
-----210714Z 109472 /13
R 201925Z MAY 77
FM AMEMBASSY PORT AU PRINCE
TO SECSTATE WASHDC 5024

C O N F I D E N T I A L PORT AU PRINCE 1838

E.O. 11652: GDS
TAGS: EAID, PFOR, HA
SUBJECT: OAS AGENDA MEETING

REF: PORT AU PRINCE 1814

1. REFTEL PROVIDED GUIDANCE ON REMARKS TO BE MADE
AT OAS MEETING TO FIX AGENDA FOR JUNE JOINT COMMISSION
MEETING. THE FOLLOWING PROVIDES INFORMATION ON SPECIAL
ACCOUNTS, CUSTOMS AND BUDGET REFERRED TO IN PARA 6 OF
REFTEL FOR DISCUSSION AT JOINT COMMISSION MEETING AND
SUBSEQUENTLY IN PORT-AU-PRINCE.

2. BUDGETING AND AUDITING PROCEDURES FOR SPECIAL
ACCOUNTS IN NATIONAL BANK: WORLD BANK ESTIMATES THESE
ACCOUNTS PLUS REGIE RECEIVED \$62 MILLION IN 1975, OR
56 PERCENT OF TOTAL GOH REVENUES. ALTHOUGH MAJOR PORTION
THESE FUNDS MAY BE GOING TO LIGITIMATE DEVELOPMENT ACTIVITIES,
E.G. MUCH OF SEPRRN'S BUDGET COMES FROM SPECIAL ACCOUNT
FUNDS, WORLD BAND HAZARDS GUESS ON PAGE 87 OF REF B THAT
\$21 MILLION OF 1975 RECEIPTS MAY HAVE GONE FOR NON-ESSENTIAL
PURPOSED. FUNDS ARE IN THEORY EARMARKED FOR
SPECIFIED USES EVEN THOUGH THESE EXPENSES MAY BE
FOR LOW PRIORITY ACTIVITIES. NO ORDERLY BUDGETING
SYSTEM IS USED FOR THESE FUNDS. NO PUBLIC SUMMARY
OF PURPOSE AND ANNUAL INCOME OF INDIVIDUAL ACCOUNTS
CONFIDENTIAL

CONFIDENTIAL

PAGE 02 PORT A 01838 202004Z

IS AVAILABLE. FUNDS ARE APPARENTLY NOT SUBJECT
TO AUDIT. EXISTING RECORDS MAKE IT IMPOSSIBLE TO
CALCULATE WHAT PART FUNDS ARE FOR CURRENT EXPENSES
AND WHAT PART FOR CAPITAL EXPENDITURES.

3. CUSTOMS: WORLD BANK'S CURRENT ECONOMIC
POSITION PROSPECTS OF HAITI, DECEMBER 7, 1976, HIGHLIGHTS

SLOW GROWTH FOR CUSTOM RECEIPTS. WORLD BANK ESTIMATES THAT WITH SOME CHANGES IN RATES AND REDUCTIONS IN EXEMPTIONS, AN ADDITIONAL \$15 MILLION COULD BE COLLECTED ANNUALLY. DESPITE SEVERAL CLAIMS IN PAST THAT REFORM EFFORT IS UNDERWAY, IT APPEARS THAT CUSTOMS SYSTEM IS AS CHAOTIC AS EVER AND THAT SIGNIFICANT SUMS DUE UNDER EXISTING REGULATIONS ARE NOT BEING COLLECTED. IMF PROVIDED ADVICE IN PAST AND WEST GERMANY CURRENTLY PROVIDING CUSTOMS ADVISERS. PROBLEM IS NOT LACK GOOD ADVICE BUT ABSENCE OF CLEAR CUT DIRECTIVES AND SUPPORT FROM PALACE FOR MAJOR REFORM OF CUSTOMS SERVICE: SALARY IMPROVEMENTS, IMPOSITION OF ADMINISTRATIVE DISCIPLINE, INSTALLATION OF IMPROVED PROCEDURES, SIMPLE CUSTOMS CODE THAT CAN BE ENFORCED AND PALACE SUPPORT OF CUSTOMS SERVICE VIS-A-VIS ANY ATTEMPT TO OBTAIN SPECIAL FAVORS.

4. OPERATING BUDGET: AS HIGHLIGHTED IN WORLD BANK'S REPORT MENTIONED PARA 3, REAL SIZE OF GOH OPERATING BUDGET HAS BEEN DECLINING FOR MANY YEARS AS COMBINED RESULT TAX SYSTEM AND INFLATION. GOVERNMENT MINISTRIES RESPONSIBLE FOR PROVIDING BASIC SERVICES TO RURAL POOR HAVE BEEN HAMSTRUNG BY:
A. LACK OF FUNDS FOR OPERATING EXPENSES OF DEVELOPMENTAL OR SERVICE PROGRAMS;
B. LETHARGY OF GOVERNMENT EMPLOYEES WHO GENERALLY HAVE RECEIVED NO SALARY INCREASES IN 15 YEARS AND HAVE LONG SINCE TURNED THEIR ENERGIES ELSEWHERE. SUGGEST WE URGE GOH TO FOLLOW THROUGH ON
CONFIDENTIAL

CONFIDENTIAL

PAGE 03 PORT A 01838 202004Z

PROMISE TO PROVIDE AT LEAST MODEST ACROSS-THE-BOARD SALARY INCREASES. WE BELIEVE THIS PROGRAM SHOULD BE SUPPLEMENTED BY MEANINGFUL SALARY INCREASES TO EMPLOYEES MEETING HIGH PROFESSIONAL STANDARDS IN KEY MINISTRIES RESPONSIBLE FOR PRODUCTIVITY INCREASING PROGRAMS, E.G. AGRICULTURE AND PUBLIC WORKS AS WELL AS PERSONNEL IN REVENUE COLLECTING SERVICES SUCH AS CUSTOMS AND KEY PERSONNEL IN OTHER MINISTRIES, E.G. PLANNING AND ADMINISTRATIVE REFORM SECTIONS.
ISHAM

CONFIDENTIAL

NNN

Message Attributes

Automatic Decaptioning: X
Capture Date: 01-Jan-1994 12:00:00 am
Channel Indicators: n/a
Current Classification: UNCLASSIFIED
Concepts: MEETING AGENDA, DEVELOPMENT PROGRAMS
Control Number: n/a
Copy: SINGLE
Sent Date: 20-May-1977 12:00:00 am
Decaption Date: 01-Jan-1960 12:00:00 am
Decaption Note:
Disposition Action: RELEASED
Disposition Approved on Date:
Disposition Case Number: n/a
Disposition Comment: 25 YEAR REVIEW
Disposition Date: 22 May 2009
Disposition Event:
Disposition History: n/a
Disposition Reason:
Disposition Remarks:
Document Number: 1977PORTA01838
Document Source: CORE
Document Unique ID: 00
Drafter: n/a
Enclosure: n/a
Executive Order: GS
Errors: N/A
Expiration:
Film Number: D770181-0798
Format: TEL
From: PORT AU PRINCE
Handling Restrictions: n/a
Image Path:
ISecure: 1
Legacy Key: link1977/newtext/t19770535/aaaabeeq.tel
Line Count: 107
Litigation Code IDs:
Litigation Codes:
Litigation History:
Locator: TEXT ON-LINE, ON MICROFILM
Message ID: 8d1a408f-c288-dd11-92da-001cc4696bcc
Office: ACTION ARA
Original Classification: CONFIDENTIAL
Original Handling Restrictions: n/a
Original Previous Classification: n/a
Original Previous Handling Restrictions: n/a
Page Count: 2
Previous Channel Indicators: n/a
Previous Classification: CONFIDENTIAL
Previous Handling Restrictions: n/a
Reference: 77 PORT AU PRINCE 1814
Retention: 0
Review Action: RELEASED, APPROVED
Review Content Flags:
Review Date: 28-Mar-2005 12:00:00 am
Review Event:
Review Exemptions: n/a
Review Media Identifier:
Review Release Date: n/a
Review Release Event: n/a
Review Transfer Date:
Review Withdrawn Fields: n/a
SAS ID: 2435641
Secure: OPEN
Status: NATIVE
Subject: OAS AGENDA MEETING
TAGS: EAID, PFOR, PORG, HA
To: STATE
Type: TE
vdkgvwkey: odbc://SAS/SAS.dbo.SAS_Docs/8d1a408f-c288-dd11-92da-001cc4696bcc
Review Markings:
Margaret P. Grafeld
Declassified/Released
US Department of State
EO Systematic Review
22 May 2009
Markings: Margaret P. Grafeld Declassified/Released US Department of State EO Systematic Review 22 May 2009